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Major News Releases and Speeches

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United States
Department of
Agriculture

Office of
Governmental
and Public Affairs

Remarks

U.S. Department of Agriculture • Office of Governmental and Public Affairs

**Prepared for delivery by Secretary of Agriculture John R. Block
before the World Food Council's Ninth Ministerial, New York City,
June 27.**

Before discussing world agriculture and food security, I would like to share some thoughts of the past few days.

These thoughts are not solely related to the agenda of this ministerial. However, the progress they foretell could have significant impact upon the issues of food and hunger for many future generations.

Last week, like millions around the world, I watched on television as two astronauts launched a pair of communications satellites from the American space ship, Challenger.

Much of the advance news coverage of this space flight was about one of those crew members, who happened to be the first American woman to fly in space. Certainly, that was significant in itself.

But, equally significant was the fact that she and her fellow crew members launched two satellites, neither of which belonged to the United States. One belonged to our good neighbors in Canada and the other belonged to our friends in the Republic of Indonesia.

As I watched those events on television, it occurred to me that if nations can cooperate in the new technology of outer space for the benefit of mankind, then mankind certainly has the capacity to work together to alleviate the age-old problems of hunger and malnutrition on earth.

Those two newly launched satellites are working examples that the people of our world are rapidly becoming more interdependent than ever. And nowhere is that interdependence more pronounced than in the production and distribution of food and fiber.

Our goals at these ministerials have not changed from that historic World Food Conference in 1974.

We still share the commitment to improve the supply of wholesome and nutritious food for the consumers in each of our countries.

We also share similar goals for our nations' farmers. We all want them to enjoy a stable income—one that creates a strong incentive to produce and generates a fair return for their labor and investment.

Likewise, we still share the same desire for a dependable food supply—one that is nutritious, plentiful and affordable to as many of our countrymen as possible. For those who can't afford to buy all the food they need, I am certain we all share a desire to help them in the best ways possible.

Recent years have not been easy times, either for our farmers or our consumers. Neither have they been satisfactory times for those who import or export food and fiber.

The worldwide recession has limited the ability of importing nations to buy the food they need. Prices paid to the world's farmers have often fallen below the cost of production. The incentive to produce and to earn the capital to become more efficient has been eroded.

Trade barriers have been erected. Exports have been subsidized as pressures have mounted within nations to protect domestic industries. As a result, individual farmers have been insulated from the market forces that normally would signal needed adjustments in production, upward or downward.

There are important lessons which all nations, including my own, can learn from these events.

As agricultural leaders dedicated to a common goal of more plentiful and wholesome food for all of our citizens, we must recognize the need for change.

First, we must realize that no nation can isolate itself from the economic forces that shape our interdependent world. Because of this interdependence, farm policy in one country can affect what happens in many other countries. The quirks and ripples in one are felt all the way around our globe.

Second, since we all are affected by the same economic forces, we must increasingly seek solutions together. More important, we must share in the implementation of those solutions.

No single nation should be expected to serve as the food reserve for the rest of the world. No country should be saddled with the burden of unilaterally adjusting supply to demand.

Here in the United States, we have been very fortunate. Food production has not been a major concern since shortly after these lands were settled by our European forefathers.

We are blessed with fertile soils, reasonably abundant water, a good climate and the ingenious nature of our hard-working farmers.

We also benefit from economic, academic and political systems that have freed us to search for new ideas—and have rewarded us for success.

This freedom to risk, to experiment, to innovate has generated the technology and the environment that makes it possible for America's farmers to produce abundantly for the world's markets.

United States farmers can tolerate some marketing distortions. These are expected as economies adjust to changing conditions. But world conditions today pose a definite threat to the type of market stability that would benefit all nations.

The question is, how long can we allow major distortions to erode our common goals of producing wholesome food abundantly?

I believe that a market-oriented agricultural policy will continue to ensure that we have a very efficient agriculture. On the average, today's farmer in the United States produces enough food for about 80 people. He produces nearly three and one-half times more food and fiber than was produced in 1960. The rate of increase in productivity continues to out pace that of the nonfarm sector of our economy. This is principally why Americans spend such a small portion of their income on food.

I believe the development of a strong market-oriented agriculture is becoming even more important in the world as we look at some of the technical advancements being made.

These technological changes are gaining momentum. We must be certain that these changes do not occur more rapidly than the changes we must make in our own agricultural policies.

Let's look at some of the technological advancements. For example, biogenetics holds the promise of showing mankind how to increase food production in ways we cannot yet fully appreciate.

Genetic engineering has also opened new horizons in preventing diseases and improving physical and nutritional characteristics of plants and animals.

We can all be tremendously impressed by what some Asian nations are doing in the field of aquaculture, and the potential of hydroponic agriculture. Those of you who visited my farm this past weekend will recall an example of the U.S. aquaculture industry. My farm produces quite a few hogs a year—but this past weekend we also ate some good U.S. catfish.

It is conceivable that technologies like these could stimulate an evolution in the production of food on a level proportionate to what mechanization has done to hand labor.

I would like to reassert the commitment of my country to assist other nations in developing their agricultural industries.

The United States has worked both bilaterally and with international organizations to share the benefits of our agricultural research and technical expertise. USDA has technical assistance projects in 76 countries, with most carried out in cooperation with the U.S. Agency for International Development.

The department also has about 240 cooperative research projects abroad aimed at curbing crop diseases and building food production. Working with AID and FAO, USDA has trained over 70,000 agriculturists from the developing world. And we now have scientific and technical exchanges with more than 30 developed and developing countries to share our knowledge of agriculture.

For nearly three decades we have carried out the world's largest bilateral food aid program under Public Law 480, aptly called "Food for Peace." Food aid through this program has topped \$40 billion, in commodities and services.

With this said, we are looking for new ways to make the PL-480 program even more responsive to the needs of developing countries. I have asked my staff at USDA to look into possible improvements in our food aid effort:

1. The first is adding multiyear planning to PL-480 instead of the yearly allocation system we have been following. This would help recipient countries use the food they buy more effectively both in development and for food reserve systems of their own.

2. The second is to encourage the use of local currencies generated by sales of PL-480 commodities to build storage and handling facilities for grains. This would address the critical distribution problems that

trouble developing nations and often make it difficult for them to get food to needy people.

In addition to the "Food for Peace" program, the Reagan Administration has begun a new initiative. We have made U.S. government stocks of butter, cheese and nonfat dry milk available for donation both to other governments and private organizations that work to assist the needy in other nations.

The central goals of our assistance efforts are helping countries to overcome hunger and malnutrition and become economically sound. The Presidential Agricultural Task Forces that AID and USDA have sent to Peru, Thailand, Honduras, Liberia and Venezuela have all reflected those goals. President Reagan's Caribbean Basin Initiative has similar objectives and U.S. government agencies are now working to help the Caribbean nations.

The United States has traditionally played a central role in multilateral aid as well. We make large contributions to multinational organizations—the Food and Agriculture Organization, the World Food Program, UNICEF, the international development banks and others.

Last year we made a record pledge of \$250 million to the world food program for 1983-84—a substantial 14 percent over our previous pledge. And we have actively supported The World Food Council since its beginning. These are signs of our confidence in international organizations and their contributions to overcoming world food problems.

The regional analyses carried out last year under World Food Council auspices are a sound assessment of the progress in overcoming hunger, malnutrition and agricultural problems in developing countries.

These reports give all of us a sense of solid achievement, but they also tell us that widespread hunger persists in some parts of the world. There is still much for us to do and we must continue our efforts, particularly in Africa where the need remains great.

The United States has supported the World Food Council's initiatives to help developing countries design and carry out their national food sector strategies. These efforts have helped governments link farm policies with food policies and have given development work a more realistic framework. Many national food strategies are now

wisely giving more attention to the importance of stronger incentives for farmers.

We are pleased that the World Food Council continues to focus on policies to strengthen food security. Since we met in Mexico last year, the WFC Secretariat has clarified the food security proposal put before us then and answered our questions about it. We commend the Secretariat for reformulating the proposal and removing some provisions that caused concern. I look forward to further discussions here on this important topic.

In conclusion, allow me to make the following observation: A long-range plan for agriculture must be based on long-range resources. This is basic to achieving the type of food security that we all seek. It is essential to know not only where we are going, but also to have some idea of how we will get there.

Our objective is a workable, realistic, acceptable program that will permit Food for Peace recipient nations to plan with confidence, knowing that the resources on which their plans are based will be there when needed.

As we embark together on this longer range planning, I want to reassure you that the United States will continue to meet its commitments to those who look to us for short-term food aid.

Our domestic farm programs are designed to ensure that the U.S. will have enough stocks to remain a reliable supplier to our commercial customers.

We are mindful that trade in agricultural commodities is vital to economic development. Our own experience over the past three decades provides graphic evidence of this fact.

Agriculture is as much a global industry as oil or steel, and autos or electronics. If freer trade and less protectionism is basic to the development of industrial trade, then the same should hold true for food and fiber.

After all, it is the same small world; the same mobility among people; and the same desire for a better life.

We must overcome past attempts to treat the same old issues in the same old ways, as if agriculture were unique inside our own geographic borders.

Rather, we must embrace the fact that agriculture has come of age, and our development of food and fiber resources must be treated accordingly.

Let us not wait another ten years, watching other advances take place in space, without meeting the basic food challenges on earth. Instead, let us work harder together toward our common goals.

Thank you.

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News Releases

U.S. Department of Agriculture • Office of Governmental and Public Affairs

SATELLITE EXPLORED FOR FARM MARKET REPORTING

WASHINGTON, June 24—U.S. Department of Agriculture marketing officials have enlisted the help of high technology firms in California and Tennessee to help them explore whether satellite communications and an accompanying database can be used to help get out farm market reports faster, more selectively and at less cost.

The test, which is being conducted June 6 - July 1, employs satellite technology, combined with a computer database, for processing current information on agricultural commodity marketing conditions and prices.

"This test is one of several steps we are taking currently to cope with the rising costs of delivering market news to farmers and others in the agricultural community who need it quickly to make marketing decisions," said Vern Highley, administrator of USDA's Agricultural Marketing Service.

"At the same time, we are looking at the concept of satellite technology, linked with a data base, as a possible way to improve the quality and selectivity of the market information we issue."

Telcom General Corp., of Palo Alto, Calif., is conducting the test for USDA, and that firm has selected Market Data Systems, Inc., of Memphis, Tenn., to provide the data base. The satellite earth station used for transmission is provided by SATNET, a wholly-owned subsidiary of the Associated Press.

Currently, USDA's Agricultural Marketing Service and cooperating states use telephone lines for moving market reports between field offices and also directly to users, such as news wire services, who tap into the system at their own expense. Highley said a satellite system may reduce transmission costs both to government and to users and improve the quality of transmission.

Eight USDA field market news offices are participating in the test, as is the Tennessee Valley Authority in Muscle Shoals, Ala., which also needs and uses market information. All of these units are testing the extent to which market reports on selected commodities can be retrieved via satellite from the data base for their particular area of

interest—for instance, livestock in Iowa, eggs in New Jersey and fruits and vegetables in California and Alabama.

Highley said USDA will use test results to decide on a possible modernization of the current communications system for market reports.

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USDA REQUESTS COMMENTS ON CORN STANDARDS

WASHINGTON, June 24—The U.S. Department of Agriculture is requesting comments on a proposed rule to clarify U.S. corn standards definitions, a USDA official said today.

"The proposed rule clarifies the sample grade requirement for corn and the definition of 'distinctly low quality'," said Federal Grain Inspection Service Administrator Kenneth A. Gilles. "It does not change the present grades or grade requirements for corn."

Corn that comes under the definition of "distinctly low quality" does so because it contains foreign substances or because it is in an unusual condition and cannot be graded properly by use of other grading factors provided in the standards. It may include any object too large to enter the sampling device, such as large stones or wreckage.

The proposed changes resulted from a periodic review of the standards. Other factors considered for change were separation of broken corn/foreign material, determination of hardness and possible revisions or deletions of test weight and moisture. However, Gilles said, we need to do further study to evaluate these factors and their effect on corn marketing, Gilles said.

Comments may be submitted in duplicate before Aug. 23 to Lewis Lebakken, Jr., Regulations and Directives Unit, USDA, FGIS, room 0667-S, Washington, D.C. 20250. Telephone (202) 382-2738.

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FIFTEEN INDICTED FOR UNLAWFUL TRAFFIC IN FOOD STAMPS

WASHINGTON, June 24—Two U.S. grand juries in Baltimore have returned 11 indictments charging 15 individuals with unlawful trafficking in food stamp coupons and arrest warrants for eight of the 15 were being served today.

Inspector General John V. Graziano of the U.S. Department of Agriculture said the indictments marked the culmination of a successful joint investigation by special agents of his office and the Baltimore city police.

"The investigation was directed to ascertain the extent of food stamp trafficking in Baltimore," Graziano said, "and we are very pleased with the result."

Graziano said that each of the 15 defendants has been charged with one or more counts of illegal acquisition of food stamps.

Indicted by the grand juries were Louis Chagouris, Kim Douglas, Amed S. Torahim, Mohamed A. Ibrahim, Jesse Jackson, Kenneth L. Jackson, William Jackson, Delores P. Liburd, Freddie Neal, Robert Newsome, Dinesh K. Shah, Sharad T. Shah, Morton Siefel, Joseph Tempara and Randolph Wells.

Ten of the 15 persons indicted are owners, managers or employees of Baltimore food stores which were involved in the illegal transactions.

"All of the charges involved discounting food stamps for cash with the exception of one grocery store owner who accepted food stamps for a 1977 Dodge van," Graziano said, "and Douglas and Liburd who were charged with distribution of heroin and conspiracy to distribute heroin and cocaine in return for food stamps."

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U.S. SUGAR IMPORT FEE TO REMAIN AT ZERO CENTS PER POUND

WASHINGTON, June 24—The import fee for raw sugar will remain at zero cents per pound during the July-September quarter, Secretary of Agriculture John R. Block said today. The fee has been at that level since last Oct. 1.

The U.S. Department of Agriculture is required to make a quarterly determination of sugar import fees under a presidential proclamation issued in May 1982. The key factor in the fee determination is the domestic sugar spot price, as required by the Coffee, Sugar and Cocoa Exchange in New York, during a base period of 20 market days.

The base period for the coming quarter was May 20-June 17, inclusive, and the average price was 22.641 cents per pound. Since this was slightly higher than the market stabilization price of 20.73 cents established under the sugar support program, the import fee is zero. If the average price was below the stabilization price, the fee would be the difference, adjusted for the customs duty.

Block said U.S. sugar prices have been relatively stable for about a year and that this market stability was the result of the border control measures instituted by the president in May 1982.

"World sugar prices have strengthened somewhat in recent weeks," Block said, "but are still at uneconomically low levels, reflecting a continuing world oversupply situation."

The fee for refined sugar, which under the proclamation is set at one cent above the raw sugar fee, also is unchanged.

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NEW PATENT LICENSING LAW SPURS INTEREST IN AGRICULTURAL RESEARCH

WASHINGTON, June 27—A law establishing exclusive licensing rights for federal patents two years ago is "stimulating increased commercial interest in U.S. Department of Agriculture inventions," a USDA official said today.

Terry B. Kinney, Jr., administrator of USDA's Agricultural Research Service, said a USDA survey shows the number of inquiries from companies and entrepreneurs has at least doubled over the 205 inquiries made in 1981.

"Obviously, we have only two years' results to evaluate how much the new patent law has proven to be a stimulus for attracting commercial interest in research-based patents," Kinney said, "but the results so far look promising."

Apart from inquiries, he said, 23 companies applied in 1982 for exclusive licenses on the agency's patented research—10 more than applied the first year the U.S. patent law permitted exclusive licensing.

Congress revised the patent law in July 1981 to give federal agencies authority to award exclusive licenses. Until then, no private company was granted an exclusive license to develop USDA research commercially.

An example of what has happened:

A synthetic attractant for controlling yellow jacket wasps was discovered by a USDA scientist nine years ago.

Within the last 12 months, an exclusive license was awarded to Morgro Chemical Co., Salt Lake City, Utah, to develop and manufacture the yellow jacket attractant.

Several other chemical companies also have received exclusive licenses for insect control coming from the agency's research. Bio-Systems Research, Salida, Colo., was given an exclusive license to develop a chemical that keeps boll weevils from eating cotton bolls. Pennwalt Corp., Philadelphia, Pa., was granted an exclusive license covering two patents for chemicals to control nematodes, tiny plant-destroying worms.

"Among the many patents attracting industry attention are those for pesticides, textiles and chemical processes," said M. Ann Whitehead, USDA patent specialist, Hyattsville, Md.

License negotiations are underway on the other applications.

According to Whitehead, about 1,200 patents awarded to USDA by the U.S. Patent Office now are on the U.S. patent registry. Over the last 25 years, she said, companies have applied for licenses to use only 10 percent of the patents—all on a nonexclusive basis.

"Our scientists may work for years on research, validate their successes and then obtain USDA patents," Kinney said.

"That's where the job of agency scientists ends. But it now is apparent that industry needed a new incentive to pick up on this research and develop it commercially within the shortest possible time.

"Getting research results to users as quickly as possible is one of the main goals of the exclusive licensing law for federal patents," Kinney said. "We would like to see a higher percentage of agency-patented scientific discoveries enter into the marketplace for public use."

What has happened in the past, he said, is that potential licensees often felt it was risky to invest in developing and testing a product without some licensing protection. "Another goal of exclusive licensing is to help minimize the risks to investors," he said.

Whitehead said exclusive licenses work in the following way. USDA grants exclusive licenses:

- if they will best serve the public,
- if the desired practical application of the invention has not been achieved,
- if the practical application is not likely to be achieved expeditiously with a nonexclusive license, and
- if an incentive is needed to promote the practical commercial application of patented research within the shortest possible time.

USDA makes a decision on licenses in cooperation with the U.S. Department of Commerce's National Technical Information Service (NTIS). NTIS works closely with USDA to encourage private sector use of Agricultural Research Service inventions.

Candidate licensees are screened largely on plans submitted to NTIS for developing and marketing the patent. NTIS obtains foreign patents on the most promising inventions to protect overseas markets for U.S. industry.

NTIS's exclusive licensing program is aimed at bringing selected USDA patents and pending patent applications to the attention of U.S. companies most likely to have an interest in commercializing the technology, Whitehead said.

After USDA files for a patent, NTIS advertises the invention for three months as available for licensing in NTIS publications and the Federal Register. Before an exclusive license can be granted, a notice must be published in the Federal Register of intent to grant such a license, allowing a comment period of 60 days.

Costs for exclusive licenses range from a few hundred to a few thousand dollars, depending on the stage of development of the technology, the territory licensed and the anticipated markets.

By next year, licensing royalties are projected to bring in about \$1 million, according to government estimates.

USDA will continue to offer companies and individuals nonexclusive licenses as it has been doing for the last 40 years, Whitehead said.

If there is a basic difference between the two types of licenses, Whitehead said, it is that "exclusive licenses help speed up transfer of technology that requires more private money and time to develop into a commercial product."

"Our agency," Kinney said, "has historically emphasized getting the knowledge on a number of subjects out of the lab door and into the products and processes of farms and industries as quickly and economically as possible."

Not all of USDA research results can be patented.

Kinney said much of the research adds to the body of knowledge of ongoing research findings, such as "fingerprinting" insects for identification and control. Other findings—like tillage and irrigation techniques—are not amenable to patenting even though they increase farm operating efficiencies.

Some patented research that has attracted nonexclusive licenses has done so because of its low initial development costs, simplicity and multimarket potential—often leading to a surprising number of users.

"Few of us could have predicted the development of the market potential for super slurper, a water-absorbing cornstarch product, when it was first patented in 1976," said Kinney. "It has helped the medical, chemical, seed and fertilizer industries and has attracted over 26 nonexclusive licenses."

Another example of how industry has picked up on agency research is insoluble starch xanthate, invented by scientists at USDA's Northern Regional Research Center, Peoria, Ill. Metal plating companies are using this simple and inexpensive product to remove heavy metals from wastewater.

Patents are widely distributed, catalogued and referenced in publications, said Whitehead.

USDA offers free to the public a catalogue of patents available for licensing. It is available from USDA, ARS, Rm. 524, Center Building, 6505 Belcrest Rd., Hyattsville, Md. 20782.

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CONTACT: M. Ann Whitehead, patent program specialist,
Agricultural Research Service, U.S. Department of Agriculture,
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USDA ANNOUNCES RULE FOR SUGAR RE-EXPORTS

WASHINGTON, June 27—The U.S. Department of Agriculture today issued a final rule to permit U.S. refiners to import sugar free of existing quotas for re-export in refined form.

Under Secretary of Agriculture Daniel G. Amstutz said the result of today's action will be to permit U.S. refiners to use excess capacity by importing raw sugar and then producing refined sugar that would be competitive on the world market.

As a result of the sugar price support program enacted by Congress in 1981, U.S. producer prices for raw sugar are supported at 17 cents per pound and sugar imports are controlled by quotas. The world price for raw sugar is about 11 cents per pound.

Amstutz said the price U.S. refiners must pay for raw sugar largely reflects the U.S. market stabilization price of 20.73 cents per pound, making it impossible for U.S. refiners to compete in the world market with non-U.S. refiners who can get their raw sugar at the world price.

Under the rule, licenses will be issued for sugar to be imported into the United States exempt from quota, then exported in refined form. This will allow U.S. refiners access to the same low-priced sugar as their competitors. Licenses may be issued only to a refiner of sugar, and there is a 28,000 short ton limit per applicant.

To guarantee that sugar imported under a license is used only for the purposes intended, the refiner must post a bond to cover all entries under a license.

The rule is scheduled to be published in the June 28 Federal Register. A proposed rule was published on April 8 and public comments and suggestions aided in development of the final rule. The effective date of the rule is June 28.

#

USDA UPDATES FLUE-CURED TOBACCO GRADE STANDARDS

WASHINGTON, June 27—The U.S. Department of Agriculture has revised flue-cured tobacco grade standards to more accurately describe the flue-cured tobacco now being marketed.

Lioniel Edwards, an official with USDA's Agricultural Marketing Service, said the changes were needed to carry out grading of the different qualities of tobacco that have developed in recent years. The updated grades become effective immediately.

The revisions, Edwards said, include the addition of nine new grades and new definitions for the color combinations of whitish-lemon—LL—and variegated dark red—KD—tobacco. Ten grades have been dropped.

The new grades include:

- two grades for prematurely ripe and pale-colored tobacco from the cutters groups that have taken on characteristics of the primings group;
- two-grades for whitish-lemon colored tobacco produced during wet growing seasons;
- three grades for darker colors of tobacco increasingly marketed over the past few years;
- one grade for 4th quality slick lugs;
- one grade for tobacco with variegated orange colors found primarily in the cutters group.

Edwards said the abolished grades covered a quality of tobacco that has diminished to the point that retaining the grades is no longer warranted.

The revised standards are scheduled to be published in the June 28 Federal Register. Copies are available at many public libraries.

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USDA CANCELS PROPOSAL TO QUARANTINE TEXAS CATTLE FOR BRUCELLOSIS

WASHINGTON, June 28—The U.S. Department of Agriculture has withdrawn a proposal to quarantine Texas cattle for brucellosis because

the Texas legislature passed a brucellosis bill while meeting in a special session called by Gov. Mark White, a USDA official said.

"I have been assured by the governor and the chairman of the Texas Animal Health Commission that this bill will give Texas the authority it needs to meet requirements of the national brucellosis eradication program," said John Ford, deputy assistant secretary of agriculture for marketing and inspection services.

"A legal basis now exists for Texas regulations to meet minimum national standards for controlling this disease," Ford said.

"We commend the governor and the Texas legislature on their expeditious and effective efforts last week to see the matter through to a satisfactory conclusion and thus avoid a very serious problem for the state of Texas," he said.

"We will urge all states and foreign governments that have taken action against the Texas livestock industry that they immediately withdraw those actions," he said. "However, USDA will continue to carefully monitor the actions of the Texas Animal Health Commission to assure that the national minimum program requirements are fully met in the future."

On May 26, USDA proposed quarantining Texas cattle for brucellosis, after a comment period that would have ended July 25.

The national brucellosis program is a cooperative state-federal undertaking. State animal health officials, including those from Texas, meet yearly with livestock industry representatives and federal officials to examine and update the program's regulatory standards.

Brucellosis is a bacterial disease of animals that can be transmitted to humans in the form of undulant fever. The disease has a variable and sometimes lengthy incubation period.

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PRESIDENT REAGAN CLOSES SUGAR IMPORT LOOPHOLES

WASHINGTON, June 29—President Reagan has signed a proclamation to embargo imports of certain blends and mixtures of sugar and other ingredients, effective at midnight June 28.

The products affected by the embargo all are newly-invented formulations; regular articles of trade—such as confectionery, bakery goods and desserts—are not affected.

The new blends, both liquid and dry, have been entering the United States in increasing volume, circumventing the current sugar import quota.

The sugar quota applies only to normal raw and refined sugar (sucrose), not to the hundreds of sugar-containing foods, pharmaceuticals and other items. By mixing this sugar with other commodities, such as fructose, glucose, cocoa or flour, traders have been able to bring in large quantities of cheap sugar quota-free. These blends and mixes usually are resold to food processors, such as bakeries and soft drink bottlers, but some also have appeared in retail packages.

Imports of the new blends and mixtures first appeared last summer, shortly after establishment of the sugar quota. In recent months, they have accelerated substantially. Most are from Canada.

Under the sugar support program enacted by Congress in December 1981, the U.S. Department of Agriculture's Commodity Credit Corporation will take over any domestic sugar which cannot be marketed above the support price. Without import limitations, CCC would be forced to acquire sugar at a cost of millions of dollars.

The import embargo is temporary, pending an investigation by the International Trade Commission. USDA expects the ITC will announce a public hearing on the matter soon.

President Reagan's action was taken at the recommendation of Secretary of Agriculture John R. Block under the authority of Section 22 of the Agricultural Adjustment Act of 1933, as amended. Section 22 authorizes the limitation of imports which materially interfere with, or threaten to materially interfere with, the price support programs carried out by USDA.

#

1983 MEAT IMPORTS ESTIMATED TO BE BELOW TRIGGER LEVEL FOR IMPOSITION OF QUOTAS

WASHINGTON, June 29—The U.S. Department of Agriculture estimates that U.S. meat imports for 1983 will be below the level that would require restraints on imports under the Meat Import Act of 1979, according to Richard Smith, administrator of USDA's Foreign Agricultural Service.

Smith said estimates of available supplies indicate that imports of beef and certain other meats should not exceed 1.224 billion pounds. The level that would trigger import quotas for 1983 is 1.231 billion pounds.

The Meat Import Act requires the president to restrict imports of certain meats—primarily beef and veal—if USDA estimates imports of those meats will equal or exceed 110 percent of a stated level.

"Based on today's estimate, there is no need to impose import restrictions during the quarter beginning July 1," Smith said. "Our analysis of conditions that affect meat imports in this country and abroad indicates there will be no need for import restrictions to be put in place during the third quarter of the year."

USDA makes a new estimate of meat imports before each calendar quarter. A subsequent estimate will be made in September and announced on or before the first day of October.

No import restrictions on meat imports were imposed during 1980 and 1981. During 1982, voluntary restraint agreements were signed with Australia and New Zealand in the final quarter to control the supply of imported meat.

Imports of meat subject to the law are shown—by month—in the following table:

MONTH	1980	1981	1982	1983
<i>Million pounds</i>				
January	144.3	79.5	55.5	92.2
February	107.0	109.2	67.5	124.3
March	97.1	90.6	127.9	127.0
April	101.9	107.6	119.2	106.5
May	105.0	81.9	86.0	92.8
June	99.5	98.1	160.6	
July	146.0	112.2	99.2	
August	123.4	102.1	133.8	
September	100.5	114.1	237.4	
October	132.4	122.7	126.6	
November	104.6	97.3	33.9	
December	169.3	101.6	71.7	
TOTALS *	1,431.0	1,216.8	1,319.6	

*Totals may not add up due to rounding.

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MASSACHUSETTS BECOMES 15TH STATE FREE OF CATTLE BRUCELLOSIS

WASHINGTON, June 30—Massachusetts has been designated free of cattle brucellosis under a new rating system of the cooperative state-federal program to control and wipe out the disease, a U.S. Department of Agriculture official reports.

"With the addition of Massachusetts, New England now represents a solid block of states free of brucellosis," said Billy Johnson, who directs the national brucellosis program for USDA's Animal and Plant Health Inspection Service.

Also rated brucellosis-free are Alaska, Connecticut, Delaware, Hawaii, Maine, Maryland, Michigan, New Hampshire, New York, North Dakota, Pennsylvania, Rhode Island, Utah, Vermont and the U.S. Virgin Islands.

Cattle brucellosis, sometimes called Bang's disease, can cause pregnant cows to abort or to give birth to weak calves. Under the new, more stringent, rating system, states must go one year with no known infection to be classified free of brucellosis, Johnson said.

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USDA RECOMMENDS FLORAL RESEARCH AND CONSUMER INFORMATION ORDER

WASHINGTON, June 30—The U.S. Department of Agriculture today recommended that producers and importers of flowers and plants be allowed to vote on whether to adopt a proposed national program of research, promotion and consumer education for their commodities.

Charles Brader, a marketing official with USDA's Agricultural Marketing Service, said the recommendation is based on evidence presented at public hearings held last fall in Orlando, Fla., San Francisco, Calif., Fort Worth, Texas, and Washington, D.C. Written comments or exceptions to the recommended decision may be submitted to USDA until Aug. 19.

The proposed program is authorized by the Floral Research and Consumer Information Act enacted in December 1981, Brader said.

If approved in a referendum, the order would be financed by assessments on specified flower and plant sales. All producers and importers whose annual sales of flowers and plants for interior use exceed \$100,000 would pay an assessment. The rate would be one-half of one percent of the value of flowers and plants for the first two years, and not more than one and one-half percent thereafter. A producer or importer who did not wish to support the program could obtain a refund upon written request, Brader said.

The Floraboard, a 75-member group of flower and plant producers and importers, would be responsible for administration of the program. A majority of board members of each of three commodity groups—cut flowers, potted flowering plants and foliage plants—would have to be U.S. producers. The board would contract for research, promotion and consumer education after approval by the secretary of agriculture.

The recommended decision is scheduled to be published in the July 5 Federal Register, available at many public libraries. Written comments or exceptions may be sent to the Hearing Clerk, Room. 1077-S, USDA, Washington, D.C. 20250.

Brader said USDA will consider all comments in making a final decision. If the decision favors issuing an order, eligible producers and importers will vote in a mail referendum. To become effective, the order would have to be approved by at least two-thirds of those voting in the referendum, or by a majority of those voting if they represent two-thirds of the total value of flowers and plants accounted for in the referendum.

Further information and registration forms for the possible referendum are available from Charles W. Porter, Fruit and Vegetable Division, Room 2545-S, AMS, USDA, Washington, D.C. 20250; phone (202) 447-2615.

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HOUSEHOLD BLEACH TENDERIZES PLANT RESIDUES FOR AGRICULTURE AND INDUSTRY

PEORIA, Ill., June 30—Hydrogen peroxide, a household bleach and antiseptic, may be the key agriculture and industry need to "open vast energy stores now locked up in crop and plant residues," a U.S. Department of Agriculture scientist said today.

J. Michael Gould, a biochemist with USDA's Agricultural Research Service, said residues such as straw and stalks contain potentially more energy than grain, but it is hard to tap because of an "incredibly complex" substance called lignin. Gould is based at USDA's Northern Regional Research Center here.

A natural cement in plant stems, lignin binds cellulose and thwarts its breakdown by enzymes.

Aware that hydrogen peroxide attacks lignin, Gould has devised a process to treat plant parts for at least 12 hours with a peroxide solution that is about as alkaline as strong soap.

Agriculture's ability to utilize crops more fully—stems and foliage as well as grain and even plants such as weeds—would raise food and feed

yields significantly without increasing crop production, said Terry B. Kinney, Jr., administrator of the research agency.

Gould said most treatments to free cellulose have some major drawbacks. In order to make all the cellulose available for digestion by microbes to glucose, an ingredient for producing industrial alcohol, they either require too much fuel, use expensive or toxic chemicals, or generate toxic byproducts, he said.

Cellulose freed by peroxide is not toxic, Gould said, nor does it inhibit the growth of yeast used to produce ethanol from glucose.

Gould's treatment, comparable to a tenderizing process, besides chemically loosening lignin bonds, also causes dramatic physical changes in plant residues.

Wheat straw that has been predigested by peroxide, for example, disintegrates into highly absorbent fibers with a pulp-like consistency. Hydrogen peroxide renders residues soluble enough for further digestion by microorganisms, either in livestock stomachs or industrial vats.

Treated residues are now undergoing tests in cooperative research with animal scientist George C. Fahey, Jr., of the University of Illinois, Urbana. Initial results show cattle can digest almost all of a peroxide-treated straw product, primarily cellulose, within 24 hours.

By contrast, cattle digested less than half the untreated straw within 72 hours.

Other tests show that peroxide may have potential for converting plant residues to raw materials for chemical industries.

For example, Gould said, 95 percent of the cellulose in predigested straw can be converted to glucose. In turn, glucose can be converted into ethyl alcohol, a feedstock for such varied products as dyes, synthetic drugs, rubber, plastics, cleaners and detergents.

An important advantage of peroxide is that no fuel is required for breaking down residues. "Chemical energy released by the peroxide supplies enough heat to make the reaction go at room temperature," Gould said.

Gould's laboratory formula for the predigestion treatment calls for one part of hydrogen peroxide solution at pH 11.5 to four parts of straw, a proportion that may be too costly for some industrial scale

processes. "As the process is scaled up, we may find ways to significantly lower the peroxide requirement," Gould said.

Various plant residues have been tested in Gould's studies. They include corn stalks, husks and cobs; soybean and foxtail weed stems; kenaf stalks; and oak wood shavings.

CONTACT: Dr. J. Michael Gould, USDA Northern Regional Research Center, 200 W. Pioneer Parkway, Peoria, Ill. 61615. Telephone (309) 685-4011.

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USDA TRACING BLOODLINES TO FIND SHEEP EXPOSED TO SCRAPIE

WASHINGTON, June 30—U.S. Department of Agriculture veterinarians are tracing bloodlines to locate and destroy sheep that have been exposed to scrapie, a slow-acting but highly fatal disease of sheep and goats.

Dr. Jack R. Pitcher, a veterinarian with USDA's Animal and Plant Health Inspection Service, said animal health officials are concentrating scrapie eradication efforts on the the destruction of bloodline-related animals under a new policy that went into effect in April.

"Previously, we destroyed the entire flock when an infected animal was found," Pitcher said. "However, we have re-evaluated this policy, since scrapie is transmitted primarily along bloodlines, especially from dam to offspring."

"Now, by concentrating on bloodline animals in outbreak situations, we eliminate the most dangerous animals," Pitcher said. "This lowers the number of animals slaughtered, reducing the overall cost of indemnities paid to owners to compensate them for their losses."

Bloodline sheep in two flocks where scrapie was confirmed early in the year have been destroyed. Action had been delayed until the new bloodline policy could be announced and implemented.

Eradication efforts are continuing in other flocks where scrapie-infected animals have been found.

Pitcher explained that under the bloodline policy, officials will require destruction of all first generation offspring of the scrapie-

infected sheep. They also will order destruction of the infected animal's dam, the dam's first generation offspring, and the maternal grand-dam.

When an ewe is found to be infected, destruction also will include female progeny of ewes in succeeding generations.

Animals remaining in exposed flocks will be kept under surveillance for 42 months as a check against spread of the disease to unrelated animals.

Pitcher said officials are not always able to trace bloodlines, especially in grade flocks where no breed registration records are kept. In such cases, officials may order destruction of the entire flock, as was done under the previous eradication policy.

Scrapie is a slow-acting viral disease of sheep and goats that attacks the central nervous system. It has an extremely long incubation period, requiring 18 to 42 months or longer before clinical signs appear. It nearly always is fatal.

Clinical signs include poor condition, unsteady gait and rubbing or scratching to relieve intense itching.

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USDA SEEKS COMMENTS ON BURLEY TOBACCO GRADING PROPOSAL

Washington, July 1—The U.S. Department of Agriculture is seeking additional comments on a proposal to provide farmers official grading of U.S. type 31 burley tobacco offered for sale at auction when displayed untied on burlap sheets. Comments should be mailed not later than July 11.

Lioniel S. Edwards, a marketing official with USDA's Agricultural Marketing Service, said response to the proposed rule change announced May 25 has been slow, and USDA would like additional comments from tobacco producers and others before making a final rule decision.

Edwards said, "USDA decided to issue a new proposal for the upcoming marketing season because last year's decision to refuse official grading for this type of tobacco produced widespread protest by tobacco producers. Court rulings favoring proponents of untied sheeted

tobacco sales for the 1982-83 marketing season also were a factor in proposing the change."

Under the proposal, untied sheeted tobacco will be eligible for grading and price support for 1983-84 and succeeding seasons.

Edwards said the new rule, if adopted, will require bales to be placed lengthwise on the pallets for grading. Last year stems of the tobacco packed in bales had to face the aisle. This method of display was found to be unsatisfactory because it was difficult to inspect the lower portion of the lot.

Copies of the proposal, which appeared in the May 25 Federal Register, are available at many public libraries.

Comments and requests for further information should be sent to Lioniel Edwards, Tobacco Division, Room 502-Annex, AMS, USDA, Washington, D.C. 20250; telephone (202) 447-2567.

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